

Gov. Doc. Canada. War-time Information Board  
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SUPPLEMENT TO BOOKLET No. 9



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# CANADA AT WAR

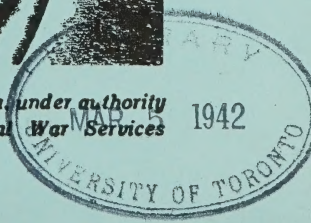
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# CONTENTS

	PAGE
FOR TOTAL WAR.....	3
CANADA: ARSENAL AND STOREHOUSE.....	4
Aid to Britain.....	4
<i>\$1 Billion Gift—Interest-free Loan—Main Supply Source</i>	
Making War Equipment.....	5
<i>Canadian Munitions on Every Battlefield—Exports At Record High</i>	
THE ARMED FORCES.....	6
Manpower.....	6
The Navy.....	7
<i>No Limit on Enlistments—40,000 By March, 1943</i>	
The Army.....	7
<i>Expansion of Army Overseas—Reserve Army Reorganization</i>	
The Air Force.....	8
<i>Administering Air Plan Chief Task—Offer to Train U.S. Recruits—Search for Manpower</i>	
Casualties.....	9
The Home Front.....	10
Controlling Prices.....	10
<i>Stabilization Board Responsible for Subsidies—Control Manufacturing—Living Cost Increases Halted</i>	
Labour.....	11
<i>Emergency Training Program—Wage Earners Increase By 850,000—Manpower in Engineering</i>	
Salvage.....	13
<i>Reclaiming Materials—Housewives Co-operating</i>	
Supply.....	14
<i>To Stop Personal Automobile Manufacture—Ration Gasoline and Sugar</i>	
SECOND VICTORY LOAN.....	16

## FOR TOTAL WAR

CANADA entered 1942 with the organization phase of its war industry completed; its factories producing at an all-time high; its increase in agricultural output described as "little short of miraculous;" its armed forces grown to tremendous power; the British Commonwealth Air Training Plan scheduled for maximum output during the year; a joint program with the United States for defence and the co-ordination of war production, as well as distribution of raw materials of both countries.

One of the twenty-six United Nations opposing the Axis, Canada has pledged herself never to make a separate armistice or peace and to employ her full resources against the Axis powers.

To further expand aid to Canada's allies, Parliament will be asked to approve a direct gift to Great Britain of \$1,000 millions in munitions, raw materials and foodstuffs, as well as make a \$700 millions interest-free loan. A provisional estimate of \$3,000 millions has been set on Canada's expenditures for war in the next fiscal year, compared with an estimate of \$2,350 millions for the present war.

Canada went to war with Japan on December 7, following by a few hours similar declarations against Hungary, Rumania and Finland. Canada was the first democracy officially to go to war with Japan. On September 10, 1939, the Dominion went to war with Germany.

## Supplementary Booklet

*Booklet No. 11 is a supplement to booklet No. 9, revised to January 1, and should be used with booklet No. 10 to obtain a cumulative record of Canada's War effort.*



# CANADA: ARSENAL AND STOREHOUSE

## Aid To Britain

PARLIAMENT will be asked at the current session to approve a three-part program of financial aid to Britain:

- (1) A direct gift of \$1,000 millions in munitions, raw materials and foodstuffs;
- (2) An interest-free loan for the duration of war of \$700 millions;
- (3) The repatriation of \$295 millions of Dominion and C.N.R. securities.

In the early months of the war the British Government paid for its purchases in Canada by shipments of gold, by Canada buying back Canadian government direct and guaranteed securities held in Britain, and by what goods Britain could ship to the Dominion. In a large part, however, payment for Canadian supplies has been made in pounds sterling, which cannot be spent in England, and debt to the Dominion has been building up steadily.

This British deficit on balance of current payments stands approximately as follows:

British balance of payments since start of the war.....	\$1,582 millions
Less: Gold shipments*.....	250 "
Canadian government and C.N.R. Securities repatriated.....	400 "
Other redemptions, capital repayments, etc.....	113 "
	<hr/>
Sterling accumulated to December 31, 1941	819 "

\*This gold, in turn, was used by Canada to meet a deficiency of United States dollars.

The Dominion Government proposes to convert the major portion of accumulated sterling balances into a loan of \$700 millions to the United Kingdom. The loan will bear no interest during the war period and terms will be settled after. It is proposed that the loan will be reduced during war by the proceeds of any sales to persons outside the United Kingdom of Canadian dollar securities now owned by United Kingdom residents and also by repay-

ment or redemption of any Canadian securities owned in the United Kingdom.

Independent of the interest-free loan, all remaining Dominion and C.N.R. securities held in Britain, totalling about \$295 millions, will be repatriated by the Dominion to provide Britain with Canadian dollars. These securities have already been obtained by the British Government from holders in the United Kingdom.

The \$1,000 millions gift would meet the requirements of Britain, for war until early in 1943. Along with the other financial measures, it would remove any difficulty which might arise in financing British purchases in Canada.

In addition to extending immediate and substantial aid to Britain the proposed financial program would be taken now to avoid the bitterness and suspicion which characterized negotiations on debt after the First Great War.

Finance Minister Ilsley, describing the proposed measures, stated:

"They will put our financial arrangements on a clear and sensible basis, fully in accord with the realities of the war situation. They will prevent the accumulation of a huge, unmanageable war debt with all the dangers that would involve of post-war misunderstanding and difficulties. And they will reflect the determination of this nation to contribute everything possible to the general cause."

Canada's aid to Britain in foodstuffs has grown steadily in importance. With her peacetime supply sources on the European market shut off, Canada is the nearest remaining source of supply.

In machines of war, with the exception of planes, Canada has been the main source of British supplies, outside the United Kingdom itself. Only recently has the United States begun to overtake Canada in this respect.

The value of supplies shipped from Canada to Great Britain since war began has been at least as great as the cost of raising, equipping and maintaining Canada's armed forces.

## **Making War Equipment**

CANADIAN munitions are being used against the Axis on every battlefield and every ocean. The Dominion is helping to equip the fighting men of Britain, Australia, New Zealand and Russia, in addition to meeting her own needs.

Canadian equipment and war materials are being used in the Libyan desert by the Imperial forces. As a result of this aid, Egypt, through which country the supplies reach the armies of the Nile, became Canada's third best customer during 1941. Total Canadian exports to Egypt amounted to \$79 millions, compared with \$8 millions in the previous year. The vast increase was due wholly to supplies of a military character.

As a result of the stepped-up output of Canadian factory and field during 1941, all exports (excluding gold) totalled \$1,621 millions, the highest total in history, although substantial export markets were shut off by enemy occupation. This compares with \$1,179 millions in 1940, and is an increase of \$442 millions. Shipments to the United Kingdom amounted to \$658 millions, compared with \$508 millions. Exports to the United States totalled \$600 millions, against \$443 millions in the preceding year. In 1918 Canadian exports were valued at \$1,540 millions, which included gold. Prices of commodities at that time were generally much higher than the current level.

## THE ARMED FORCES

NOTE: The following figures of manpower in the armed services are necessarily approximate as such statistics are of vital interest to the enemy. They indicate broadly the armed strength of Canada today:

### *Voluntarily Enlisted for Service Anywhere*

Navy.....	More than	28,000
Army.....	More than	265,000
Air Force.....	More than	100,000

**TOTAL.....More than 393,000**

### *Already Serving Outside Canada*

**All Three Forces.....More than 150,000**

### *Enlisted for Service in Canada*

Reserve Army Liable to be Called Out for Home	
Defence.....	More than 140,000
Men Conscripted for Duration of War for Service	
in Canada.....	More than 16,000

### *Women Enlisted in the Services*

Canadian Women's Army Corps.....	More than	1,600
Canadian Women's Auxiliary Air Force.....	More than	1,000



## The Navy

NO limit is being placed upon the number of men to be enlisted for the Royal Canadian Navy, except that imposed by training facilities and the number of ships available. Since the outbreak of war the Navy has been expanded many times over, as the following figures reveal:

	<i>Pre-war</i>	<i>To-day</i>
Ships.....	15	More than 350
Active Service Strength.....	1,800	More than 28,000

The Navy expects to add another 12,000 men to the force by the end of March, 1943, bringing the total strength to 40,000.

As it has grown, the Canadian Navy has assumed more and more of the heavy burden placed upon the Allied navies. It has taken over an increasing share of convoy work in the North Atlantic. It has assisted in convoying more than 8,000 ships from Canadian shores, which have carried more than 50 million tons of cargo. It is operating in the Pacific. Canadian troops were protected on the trip to Hong Kong by a R.C.N. auxiliary cruiser, H.M.C.S. "Prince Robert." Canadian seamen are serving on the seven seas either in Canadian or British vessels.

Canada has undertaken a merchant and naval ship-building program, calling for an outlay of \$500 millions. Apart from the ships destined for Britain, Canada will use all the vessels the shipyards can build.

## The Army

THE CANADIAN ACTIVE ARMY is comprised of more than 265,000 men, about half of whom are serving outside Canada. Its rapid growth since war began is illustrated by the following:

	<i>Pre-war</i>	<i>To-day</i>
Voluntarily enlisted for service anywhere...	4,500	More than 265,000
Enlisted for home defence.....	55,000	More than 156,000

The Canadian Active Army in Britain consists of a Corps of three infantry divisions, divisional and corps troops, an armoured division, and an Army tank brigade, in addition to which, there are re-inforcement units. They are stationed in key defence positions. The first Canadian troops arrived overseas in December, 1939. Canadian troops are also stationed in the West Indies, Newfoundland, Gibraltar and in coastal defence areas at home. The Army's main task to date has been in the assistance it has given in the defence of Great Britain.

To make the Canadian Army in Britain as modern, powerful and efficient as possible an expansion and regrouping will be undertaken this year.

An overseas army of two corps will be created. One corps will comprise three infantry divisions and two Army tank brigades. The other corps will consist of two armoured divisions. Necessary ancillary troops will be provided and a division now in Canada will be equipped as an armoured division, trained and sent overseas. Another Army tank brigade will be created for use with the infantry divisions.

At home, a special reorganization and regrouping is being planned for the Reserve Army, which consists of about 140,000 men.

Canadians will be asked by plebiscite to release the Government "from any obligations arising out of any past commitments restricting the methods of raising men for military service."

## **The Air Force**

**T**HE BRITISH COMMONWEALTH AIR TRAINING PLAN is the greatest and the most vital of all Canada's military commitments in this war, according to the Canadian Prime Minister. And the main task of the Royal Canadian Air Force is the administration of the Air Training Plan, which is expected to attain peak production this year.

The personnel of the R.C.A.F. has experienced a growth proportionate to the vast expansion of the Air Training Plan:

*Pre-war*  
4,000

*To-day*  
More than 100,000

The safety of Britain and the creation of an offensive force is vitally dependent upon the air strength based on the United Kingdom. British air strength is being developed largely on Canadian soil, in the 90-odd schools of the Air Training Plan and the schools of the Royal Air Force established here. Canadians, Britons, New Zealanders and Australians are being trained in Canada. Air Minister Power has offered the facilities of the Air Training Plan to train recruits from the United States as air crews for the American Army Air Corps.

The Air Force has been engaged in territorial defence, as well as in Newfoundland. Its duties on the Pacific Coast have been increased by war with Japan.



Canada sent overseas three squadrons, which participated in the Battle of Britain. The Dominion's own force in the field has been expanded to 28 squadrons, already formed or in the final stages of formation in Britain. Thousands of Canadians are serving as individuals with the Royal Air Force in Britain, the Middle East and other theatres of war.

The Air Force, unlike the Army, which serves overseas as a unit, has a large and increasing proportion of its trained personnel serving under British command (the Royal Air Force).

To increase the number of recruits available for enlistment in the R.C.A.F. educational and physical rehabilitation schemes are being conducted to bring up men to the standards required for air crew members. The Air Force cadet movement is also being fostered to create a reservoir of manpower which may be used in the future for the Air Training Plan.

The Air Force is particularly interested in physically and educationally fit recruits between the ages of 18 and 25. The present flow of recruits from the high schools of the nation are not sufficient to keep the Plan operating at the level it can achieve in 1942 and the loss of recruits from the United States will have an adverse effect on recruiting. About 10% of air crew members formerly came from the United States.

Air Minister Power stated on the manpower problem:

"Aircrew recruiting is keeping up remarkably well. We still have a good reserve ahead of us, but I am not saying we always will have it."

"It's going to be the biggest manpower problem we will have in Canada—getting the men we need for aircrews."

## Casualties

THE COST OF WAR to Canada in lives has grown to an appreciable total. At January 23, 1942, casualties incurred by the armed forces, were as follows:

### *Navy*

Killed on active service.....	390
Other deaths.....	52
<b>Total Dead.....</b>	<b>442</b>

## *Army\**

### OVERSEAS

Killed by enemy action*	47
Died (all causes)	439
Missing	6

### IN CANADA

Deaths (all causes)	518
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**Total Dead and Missing\* 1,010**

## *Air Force*

Killed	730
Died	160
Missing	417
Drowned	8

**Total Dead and Missing 1,315**

Prisoners of War 128

**TOTAL (ALL FORCES) DEAD AND MISSING 2,767**

\*Does not include casualties incurred at Hong Kong.

# THE HOME FRONT

## Controlling Prices

THE COMMODITY PRICE STABILIZATION CORPORATION is now responsible for subsidy payments provided by the policies established by the Wartime Prices & Trade Board to ensure supplies. Specific subsidies have been provided on a number of commodities.

The Board's administrators have been given power to proscribe or limit models, types, qualities, sizes, and quantities of goods which may be produced, bought or sold. Economies are being made along these lines; for example, in a reduction of colour and pattern ranges in stockings and socks.

The Administrator of Retail Trade has been given power to correct anomalies in the retail price ceiling by authorizing an increase in prices of individual retailers which are abnormally low. The Board has allowed an adjustment in tea prices. New exemptions from the price ceiling include live animals, books, and a variety of seeds, bulbs, and seed potatoes. Seasonal and quality variations in beef, lamb and veal prices are provided for and individual ceilings on feed grains, cheese boxes and certain seeds have been replaced by standard maximum prices. Onions have been put back under the ceiling as a result of speculative price advances and potatoes brought under export control.

Prices charged by manufacturers and wholesalers for seasonal goods, not similar to goods sold at retail during the basic period, must be approved by an administrator of the Board. Retailers are then allowed a percentage on cost not greater than that during the last season in which they sold similar goods.

Household consumption of sugar, the first commodity rationed by the Board, has been fixed at three quarters of a pound per week per person. Production and imports of farm machinery have been limited, the use of elastic in the clothing trades cut by half, and civilian use of hog's bristles limited.

The consumer Credit Regulations have been modified to allow sellers whose main business is on a cash basis to add the carrying charge to their ceiling prices. The down payment on furniture has been reduced to 10%.

The first halt since the start of war in the steadily rising cost of living occurred in November. At December 1, 1941, the index stood at 115.8 (1935-39=100), compared with 116.3 at November 1, 1941. The index has risen 14.9% since the start of war.

This is the index on which the Dominion requires employers to pay a cost-of-living bonus. To adjust wages to wartime prices it has been ordered that after February 15, 1942, every employer to whom the wage "ceiling" applies must pay this bonus to all employees, except those above the rank of foreman. The wage ceiling has been imposed in conjunction with the salary stabilization and price control to check the inflationary spiral of prices and wages.

## Labour

CANADA'S War Emergency Training Program to make skilled personnel available to war industry and the armed forces exceeded its original objective in 1941.

At the end of December there were 14,054 men and women attending the 100-odd government training centres. Total enrolment during 1941 was 62,102, against an estimate of 50,000 made at the start of the year.

From April 1, 1940 to December 31, 1941, the effective operating period of the Program, the following persons were trained:

16,200 for the Army and Navy
14,000 for the Air Force
52,500 for industry
<hr/> 82,700



Classes conducted at the government schools range from a wide variety of industrial training to courses for army, navy and air force mechanics of all kinds.

Apart from the steady expansion of the Program in 1941, two developments stood out: the rapid increase in the number of women in industrial classes, especially towards the year's close, and a growing demand for part-time training for men and women already employed in industry. Both developments are interpreted as signs of wartime industry's increasing pressure on available manpower and increasing co-operation of manufacturers with the training program.

At the year-end, enrolment was made up of 5,453 men and women in industrial classes (of whom 803 were women), 4,370 Air Force trainees in pre-enlistment classes and 4,231 enlisted men of the army and navy.

Biggest expansion of the year was in classes for the Air Force in which basic training in aero-engine and air-frame mechanics, wireless operating and radio mechanics is now given potential ground crew personnel. These courses last 18 weeks and have shown a wastage of only seven per cent, through discharge or withdrawal. Total trained for the R.C.A.F. during the year was 11,779, practically double the number anticipated.

Three-months courses were given 15,750 army and navy tradesmen during 1941, the great majority of these being army men. Courses covered the work of driver mechanics, cooks, welders, carpenters, blacksmiths and instrument makers, etc.

Of the 34,573 men and women enrolled in industrial training classes during the year, 18,378 are known to have been placed in employment, 2,000 were already employed while taking training, 605 enlisted in the armed forces, 5,458 were still training. Because of the steady demand for trained and even only partially-trained personnel, it is believed the remainder are also employed.

In addition to the War Emergency Training Program, the Dominion is co-operating with industrial establishment programs.

### *Wage-earner Increase*

A comparatively stable rate of increase in Canadian wage-earners appears to have been reached at approximately 50,000 monthly. It is estimated that since the

beginning of war approximately 850,000 new wage earners have been added to pay-rolls.

When Canada's industrial war program reaches its projected level, a far-greater proportion of workers than at present will have to be engaged by war industries. This will require a diversion of persons engaged in peace-time occupations to war factories and the employment of more women. Canada is moving steadily on its course of stopping production of "non-essential" peace-time products, such as passenger automobiles, and is making a survey of women available for employment.

Recognizing that efficiency of war industries depends to an important extent on proper use of engineering manpower, the Government is increasing the scope of the Wartime Bureau of Technical Personnel, by appointing representative engineers to maintain direct contact with war industries. These men are analyzing the needs of individual industries and negotiating with engineers qualified to fill those needs. Four prominent engineers have recently been loaned by their employers to the Department of Labour.

## **Salvage**

**T**HE vital necessity for the salvaging of scrap and waste material has been strongly emphasized by events of the past few months. Canada's war production is getting into high gear. More and more raw materials are being poured into factories turning out increasing quantities of munitions and equipment. Japan's entry into the war in the Pacific has placed supplies of tin, rubber and vegetable oil in a critical position. Steel, copper, zinc, lead, brass, glycerine and paper are needed in such vast quantities that every source of supply in the country must be tapped if the machinery of total war is to remain operating at top speed.

The Director of the National Salvage Campaign has appealed for co-operation in saving and recovering scrap of all kinds: to manufacturers to turn in old, unusable machinery: to store and hotel keepers to undertake "house-cleaning" of their premises to release various kinds of metal equipment: to farmers to collect disused farm machinery and old milk and cream cans: to housewives to save fat, bones, papers and rags: and to all women's and young peoples' organizations to give voluntary help to the work of

collecting the salvage and making it available to the government. The railways now allow special rates on cars of mixed salvage shipped from outlying points to the nearest sorting centre.

Over 10 million pounds of waste paper have been collected. Its value to the munition factory can be gauged by the following figures: one ton of waste paper will produce material for any of the following:

- 1,500 shell containers
- 9,000 shell fuse component parts
- 47,000 boxes for small arms ammunition
- 3,000 boxes for aero cannon shells
- 1,000 packing cases for two-pounder shells

Waste paper is also converted into wallboard for building war plants and housing the armed forces.

Tin foil and tubes, which have contained toothpaste and other products can be melted down, purified, and used a number of times with only small loss.

An old automobile will yield enough scrap to make a tank cannon—25 will build a tank. About 100,000 cars are scrapped annually, and owners of automobile “graveyards” are being asked to speed up the stripping of saleable parts, and turn in the rest for steel scrap. For every ton of steel produced by the steel mills, a ton of scrap must be made available to feed the furnaces.

Housewives, who have already made valuable contributions in the form of discarded aluminum pots and pans, are now saving surplus or inedible fat for conversion into glycerine. Rags are in great demand as machinery wipers in war factories.

There are at present, 2,700 local salvage committees in operation, involving about 125,000 active salvage workers. Thousands of tons of vital materials are being turned back into industry—materials that before the opening of the Salvage Campaign would have been relegated to the furnace or garbage dump.

## Supply

**E**ARLY in January the Wartime Industries Control Board announced that the manufacture of passenger automobiles will stop at the end of March or early in April. The manufacturers of these vehicles will then turn over an even greater proportion of their production facilities to making army vehicles and other direct war equipment.



A reserve or "pool" of passenger automobiles is being established and these will be made available to persons whose duties are of an "essential" nature and require an automobile in their work.

The temporary ban on the sale of tires was replaced by an order restricting their sale entirely (excluding bicycles) except to a small group of individuals such as doctors or for ambulances and fire trucks.

Production of radio receiving sets was halted, except by special permit.

One of the most common of commodities—sugar—has been rationed at three-quarters of a pound a week for each Canadian.

After April 1 motorists who do not get a preferred rating will be allowed between 300 to 380 gallons of gasoline annually, or sufficient to drive approximately 5,400 miles every year. About 1,125,000 drivers will come in this category.

Prime Minister Mackenzie King stated on January 26 of curtailment measures taken by the Government:

"These and many other measures have been taken progressively, in order to make materials available to our war industries as they have expanded. Already the rationing of some commodities for civilian use has begun. If we are to achieve a total war effort, far more drastic curtailments will follow."

*"Let me tell you what I think we should aim to do; I think we should aim to make a reputation for Canadian achievement in this war that will be the talk of the world for generations, that will be the pride of ourselves, our children and our children's children. I want our allies—I want the people of what Roosevelt calls "The United Nations"—to ask themselves: 'How can 11,500,000 people in the northern part of the North American continent do so much and do it so well?' "*

*The Hon. J. L. Hsley, Minister of Finance,  
at Montreal on February 10, 1942.*





# CANADA


*is*

*worth living in.....*

 CANADA is worth fighting for.....

 CANADA is worth *lending* to.....

 Remember .... we are asked to *lend* our money for our own and our nation's freedom.

 You *know* all the reasons why Canada is floating the Second Victory Loan .... You know why every man and every woman should *buy* Victory bonds to the limit of their ability.

